

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 24

March 7, 1996, 1:58 p.m.
Page S-1630 Temp. Record

SHORT-TERM DEBT EXTENSION/\$5.4 Trillion Debt Limit

SUBJECT: Temporary Increase in the Statutory Debt Limit . . . H.R. 3021. Moynihan substitute amendment No. 3465.

ACTION: AMENDMENT REJECTED, 43-47

SYNOPSIS: As introduced, H.R. 2031, a bill to provide for a temporary increase in the statutory debt limit, will exempt from the public debt limit any Treasury debt incurred between March 15 and March 29, 1996. This increase will ensure that the Treasury can meet all of its Federal obligations during that time period, including the investment of trust fund receipts.

The Moynihan substitute amendment would increase the public debt limit to \$5.4 trillion, thereby allowing the United States to go \$500 billion deeper into debt. At current deficit spending rates, this new debt limit would not be reached until May, 1997.

NOTE: Following the vote, the bill, as introduced, was adopted by voice vote.

Those favoring the amendment contended:

The purpose of this amendment is to separate the issue of the debt limit from politics by increasing the limit by \$500 billion. That increase will allow the Government to continue going deeper into debt until next May, which will be after the elections. We believe that this action is the only responsible course for us to take. Unfortunately, though, some Republican Members are insisting on tying an increase in the debt limit to fiscal policy. This connection is both unnecessary and dangerous.

It is unnecessary because our Republican colleagues have basically won on their long-term strategy--there is a general consensus that the budget must be balanced and it must be balanced by cutting spending. The budget is actually in very strong shape now due to the courage of Democrats and President Clinton in enacting the largest tax increase in history (without a single Republican vote). In fact, if interest on the debt is not counted, revenues actually exceed outlays. Of course, interest on the debt must be counted, and that massive debt is choking off all spending. Our current President has moved toward the Republican position by proposing a budget that cuts discretionary spending over 7 years to balance the budget.

The connection between the debt limit and the budget is dangerous because if neither side relents on its budget position the result

(See other side)

YEAS (43)		NAYS (47)		NOT VOTING (9)		
Republicans (0 or 0%)	Democrats (43 or 98%)	Republicans (46 or 100%)	Democrats (1 or 2%)	Republicans (6)	Democrats (3)	
Akaka	Johnston	Abraham	Inhofe	Harkin	Ashcroft- ²	Boxer- ²
Baucus	Kennedy	Bennett	Jeffords		Campbell- ²	Inouye- ²
Biden	Kerrey	Bond	Kassebaum		D'Amato- ²	Moseley-Braun- ²
Bingaman	Kerry	Brown	Kempthorne		Dole- ^{2PN}	
Bradley	Kohl	Burns	Kyl		Mack- ²	
Breaux	Lautenberg	Chafee	Lott		McCain- ²	
Bryan	Leahy	Coats	Lugar			
Bumpers	Levin	Cochran	McConnell			
Byrd	Lieberman	Cohen	Murkowski			
Conrad	Mikulski	Coverdell	Nickles			
Daschle	Moynihan	Craig	Pressler			
Dodd	Murray	DeWine	Roth			
Dorgan	Nunn	Domenici	Santorum			
Exon	Pell	Faircloth	Shelby			
Feingold	Pryor	Frist	Simpson			
Feinstein	Reid	Gramm	Smith			
Ford	Robb	Grams	Snowe			
Glenn	Rockefeller	Grassley	Specter			
Graham	Sarbanes	Gregg	Stevens			
Heflin	Simon	Hatch	Thomas			
Hollings	Wellstone	Hatfield	Thompson			
	Wyden	Helms	Thurmond			
		Hutchison	Warner			

LIVE PAIRS(1):

PRESENT AND GIVING:

RECEIVING:

Gorton (PY)Dole (PN)

EXPLANATION OF ABSENCE

1—Official Buisiness

2—Necessarily Absent

3—Illness

4—Other

SYMBOLS:

AY—Announced Yea

AN—Announced Nay

PY—Paired Yea

PN—Paired Nay

LIVE PAIRS(1):
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will be a default on the debt. A default by the United States, which has the largest economy on earth, will create havoc in financial markets around the world, greatly hurting America and every other nation as well. The standard of living for Americans will plummet, and the United States will lose, possibly forever, world economic leadership. The United States is basically solvent--it is utterly foolhardy for Congress to play this game of brinkmanship with the debt.

The debt limit must be extended. The practice of recent years (we have had 17 debt limit crises since 1980) of playing politics with the debt limit must be stopped. In this spirit, we urge the adoption of the Moynihan amendment, to allow the accumulation of another \$500 billion in debt.

Those opposing the amendment contended:

Argument 1:

Talk is cheap. Democratic protestations that they finally understand the need to balance the budget by cutting spending are meaningless without honest spending cut proposals. It took us months to get President Clinton to offer a balanced budget plan, and when he finally did it did not propose any substantive cuts in spending until the sixth and seventh year of the plan, and the cuts were all supposedly going to come out of discretionary spending. Of course, in years six and seven President Clinton will no longer be President--basically, the President who is delaying passage of the remaining appropriations bills because of his demands that we spend \$8 billion more has said that his idea to balance the budget is that a future President and a future Congress will make cuts of many times the magnitude that he is now unwilling to make. This proposal is not serious--it is a political stunt.

The basic problem driving the deficit and the debt is the uncontrolled growth of entitlement spending. Our Democratic colleagues brag that the largest tax hike in history that they passed in 1993 has resulted in revenues exceeding outlays, excluding interest on the debt. We respond that they are bragging about a rather feeble accomplishment, considering that interest on the debt now is 16 percent of the budget. Further, that 16-percent imbalance is projected to become much worse--the United States is heading toward insolvency. More importantly, the tax hike and the discretionary spending it covered have nothing to do with the real problem, which is entitlement spending. One may argue over the effects that the Democrat's record tax increase had on economic growth, or over whether Congress would have been forced to cut the rate of growth of Government if it had not passed that tax hike, but no one can dispute that at best all it did was buy a little time. By failing to address entitlement spending, it allowed the real problem to get much worse. In a few years, if nothing is done, the amount collected in taxes will not even cover entitlement spending and interest on the debt. In other words, there will be nothing left for any discretionary spending--no defense, no roads, no veterans programs, no social programs. Our Democratic colleagues know this but still they brag about how they raised taxes in 1993. Some Senators tell us that the "grownup" thing to do is agree to let this country go \$500 billion deeper into debt without seriously addressing the problem of entitlement spending. In response, we think it is infinitely more childish to continue ignoring the problem, allowing our country to be tortured into insolvency with the slow poison of accumulating debt.

The Nation's Governors, both Democrats and Republicans, recently put forward Medicare and welfare entitlement program reform proposals. Those entitlement programs are the main cause of our fiscal problems. President Clinton has already rejected Congress' reform proposals for these programs, but we are hopeful that he will be more supportive of the Governors' proposals. This bill will give a 2-week extension in the debt limit so that Members will have time to negotiate with the President on the substance of the Governors' proposals. Hopefully the President will accept these reforms.

The sticking point in all the negotiations this year has been the White House. Numerous responsible proposals have been put forward by both Republican and Democratic Members in both Houses, and some bipartisan proposals have been made, but as long as President Clinton refuses to address the problem of entitlement spending our country is in serious trouble. We will not under any circumstances agree to put this problem off. We will not vote for any permanent extension of the debt limit until the President faces reality and joins us in developing a bipartisan solution. Under the circumstances, we can approve this 2-week extension, but we certainly cannot support the Moynihan amendment to increase the debt by one-half trillion dollars.

Argument 2:

We share our colleagues' unease with using the debt limit as a negotiating tool, and hope soon to propose and pass a permanent increase in the statutory debt limit. However, we must oppose the Moynihan amendment for two reasons. First, it ignores the fact that we very well may have a resolution of this crisis within the next 2 weeks. The Governors have put forward a bipartisan proposal that is under serious discussion. We should wait and see if this proposal proves to be acceptable to Congress and the President. Second, and more importantly, if the amendment were to pass the House would refuse to go along. The debt limit would not be extended. All our colleagues would accomplish would be a default on the debt instead of a 2-week extension. If the Moynihan amendment is voted down, we know that we will put off "doomsday" for another 2 weeks. If we approve the Moynihan amendment, the United States will default on the Ides of March. That result is unacceptable, so the Moynihan amendment must be defeated.